



Daiichi Sankyo

Sustainability Booklet

Communication tool focused on sustainability



EDITORIAL POLICY

Daiichi Sankyo's Value Creation Story: A Sustainability Perspective

FY2026, the first year of the new Five-Year Business Plan (FY2026-FY2030), marks a turning point as Daiichi Sankyo enters a new stage of growth toward becoming a Global Top 5 Oncology Company.

This booklet is designed as a **communication tool** **focused on sustainability information**,

with the aim of providing a clear overview of the social value Daiichi Sankyo creates, as well as our strategies and strengths.

Key Themes | Our Value Creation Story from Three Perspectives

01.
A Value Creation Story
Driven by Social Value

Presents a consistent value creation story highlighting the connection between our new Five-Year Business Plan and social value, including the provision of new treatment options for patients with cancer.

02.
The Strengths
Behind Daiichi Sankyo's
Value Creation

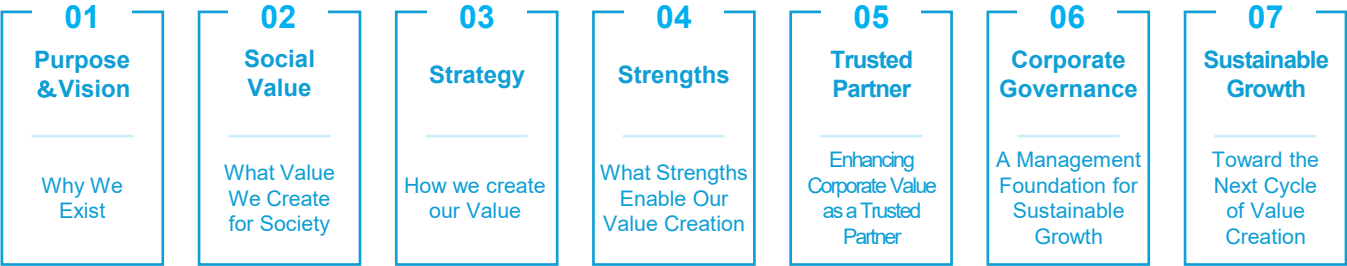
Presents our strengths that enable strategy execution—including Science & Technology, talent and organizational capabilities, and a global business foundation, while illustrating how they contribute to future corporate value through the value creation cycle.

03.
A Foundation of Trust
Supporting Sustainable
Enhancement of Corporate
Value

Positions "Being a Trusted Partner for Sustainable Society," one of the four strategic pillars of the new Five-Year Business Plan, as the foundation that underpins our value creation, illustrating the link between sustainable management and the enhancement of corporate value.

Story Flow

The booklet is structured to provide a clear understanding of Daiichi Sankyo's unique value creation story, in which the creation of social value and the enhancement of corporate value reinforce each other in a virtuous cycle.



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Toward the Next Cycle of Value Creation

01

Why We Exist

Purpose & Vision

Our Purpose—

**Contribute to the Enrichment of
Quality of Life around the World—**

and our 2035 Vision, **Trusted Healthcare
Innovator Transforming the Lives of People
through our Science and Technology,**
reflect who we are, what we believe,
and where we are going.

>>Daichi Sankyo Group Philosophy

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>>CEO Message

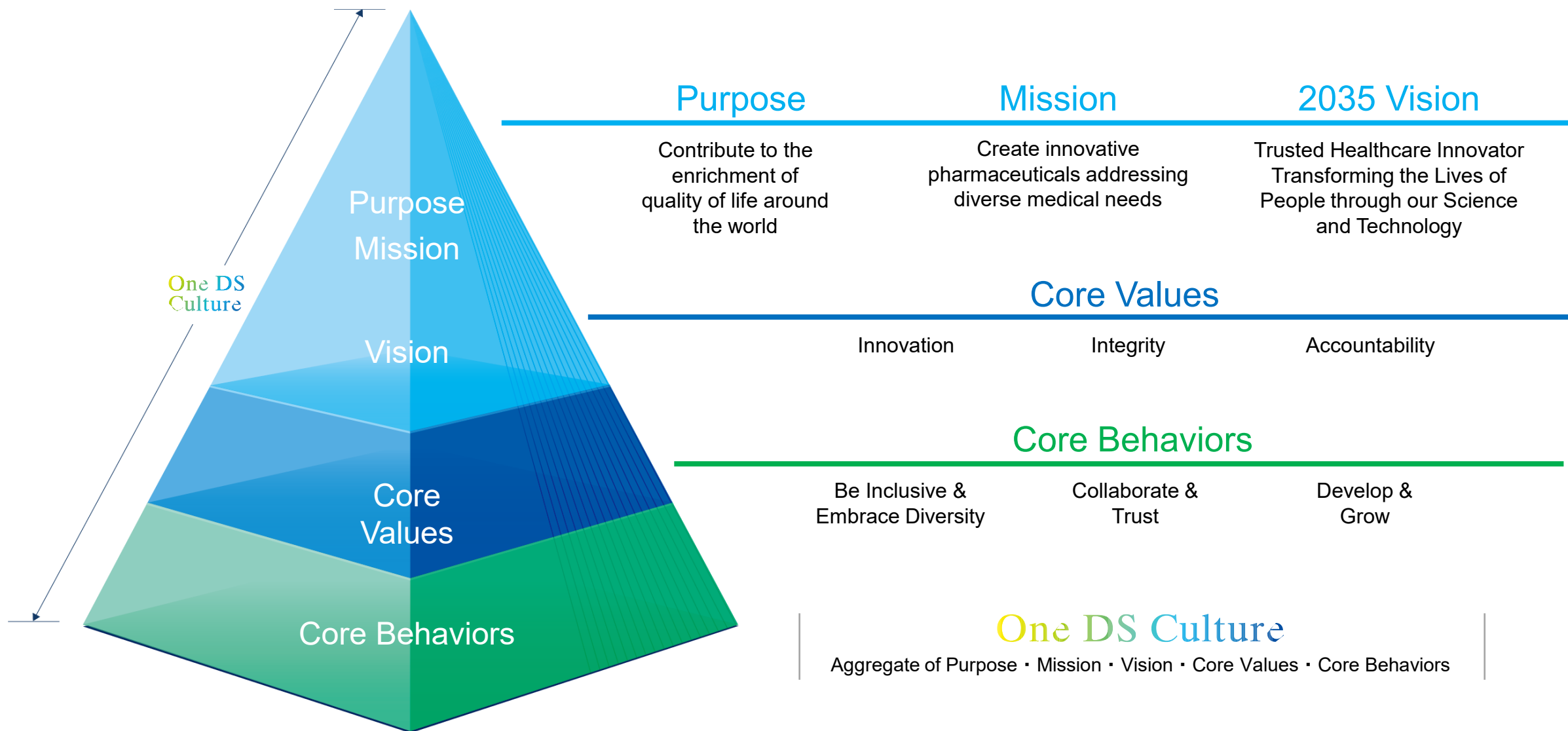
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>>Value Creation Cycle

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Daiichi Sankyo Group Philosophy



CEO MESSAGE

2035 Vision

Trusted Healthcare Innovator Transforming the Lives of People through our Science and Technology

With our Science and Technology, we strive to improve treatment experiences and the quality of life of patients around the world and to become a trusted partner.

Becoming a global top five oncology company by 2035

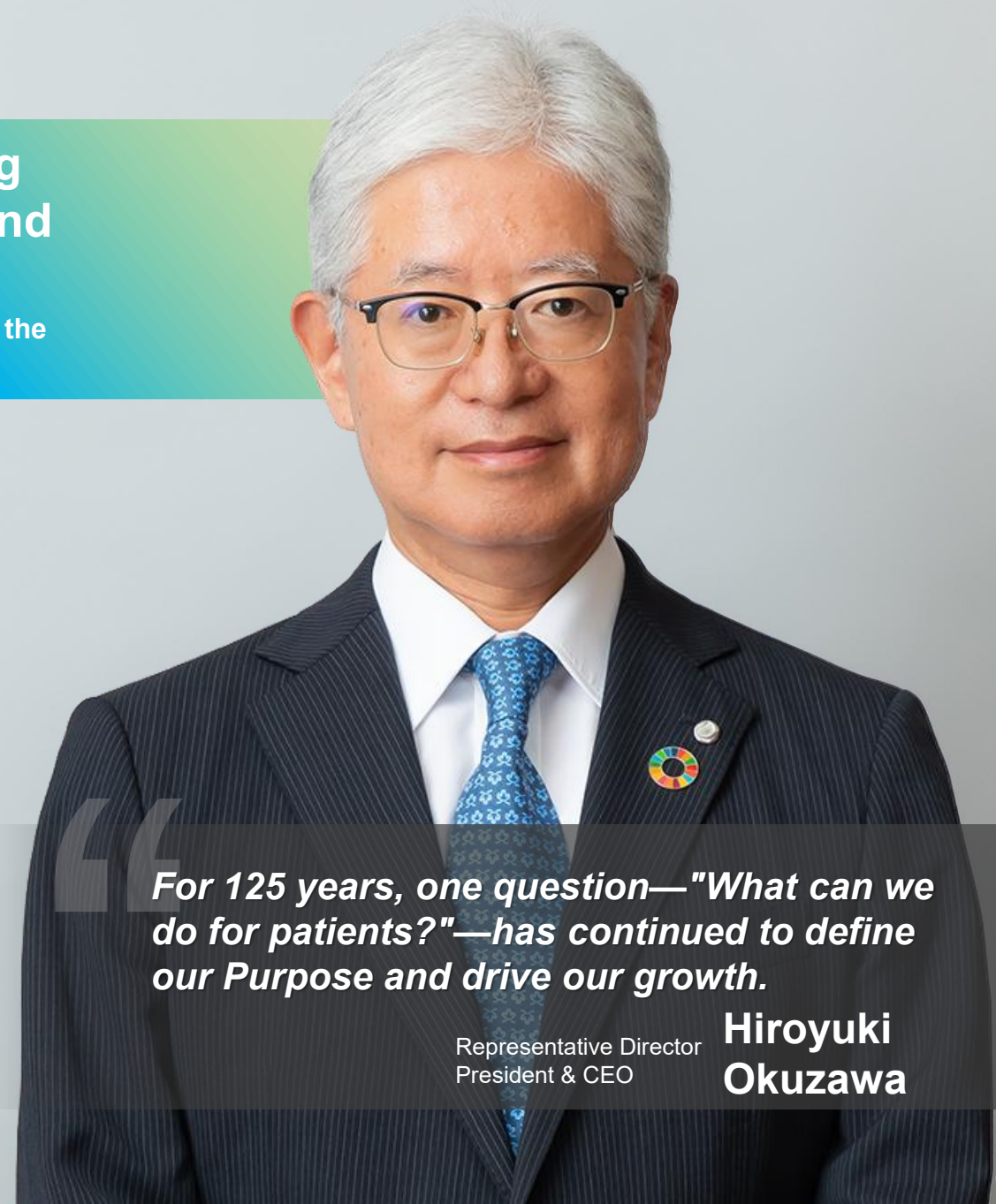
Through our new Five-Year Business Plan, with our proprietary drug discovery technologies, including ADC, at the core, we are expanding treatment options in oncology.

Delivering more innovative medicines to more patients

We call our proprietary drug discovery technologies that rapidly deliver innovative medicines to patients Breakthrough Generating Technology (BGT). With Patient Centricity at the heart of everything we do, we have fostered a culture that pursues science with integrity and drives relentless innovation. This culture continues to generate new BGTs beyond our industry-leading ADC pipeline.

Enhancing the value creation cycle with diverse stakeholders

Through initiatives such as fostering Patient Centricity, attracting and developing world-class-talent, and reducing environmental impact across our value chain, we strive to serve our diverse stakeholders, including patients and their families, and contribute to a more sustainable society.



For 125 years, one question—"What can we do for patients?"—has continued to define our Purpose and drive our growth.

Representative Director
President & CEO

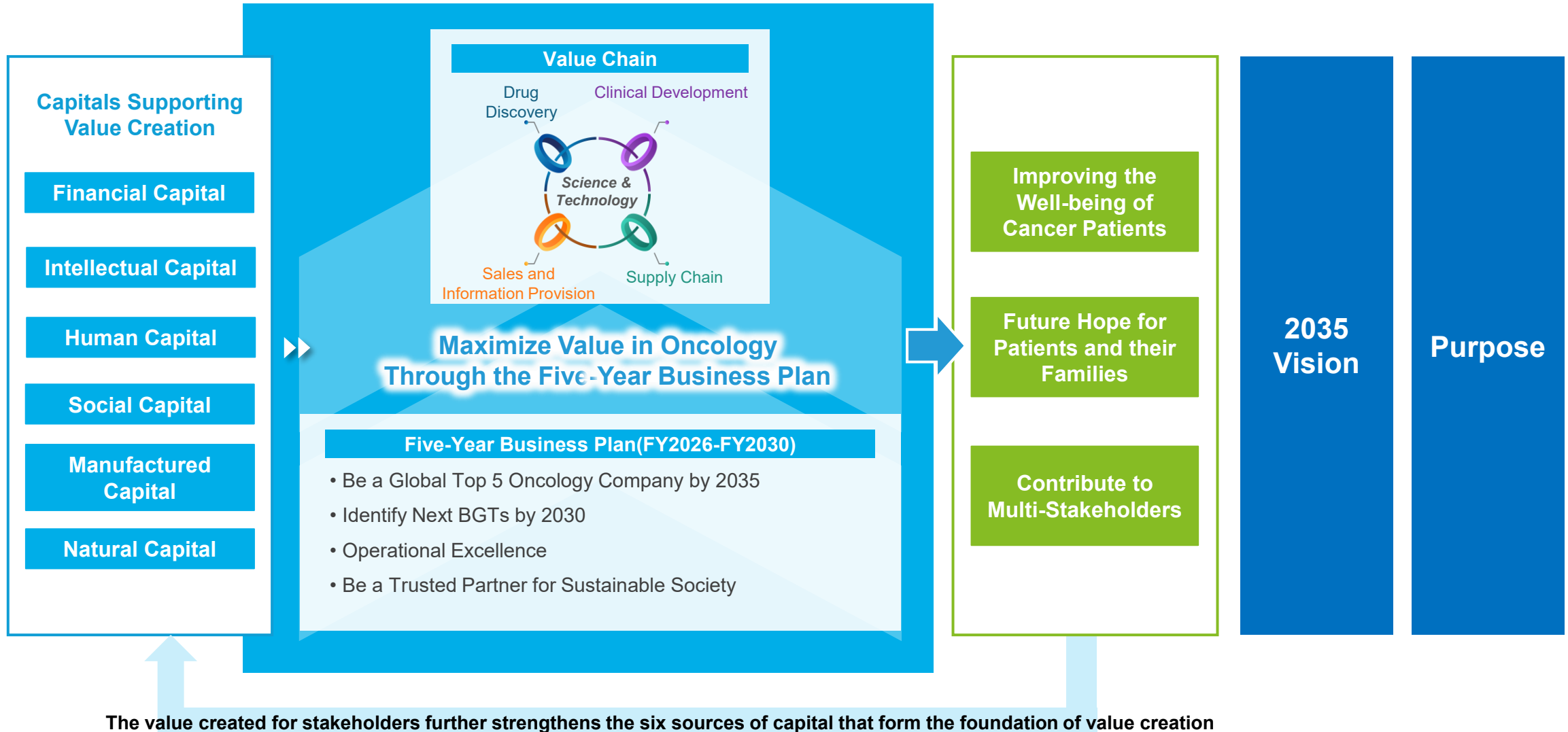
**Hiroyuki
Okuzawa**

Related Content: Message from Our CEO



Value Creation Cycle

- Creating value for diverse stakeholders, including improved well-being and future hope for cancer patients, through Science & Technology as our biggest strength.
- A virtuous cycle of sustainable value creation, in which the value created serves as the foundation for future growth.



Social Value

We provide innovative treatments to as many patients and their families as possible, bringing the field of oncology one step closer to cure while helping to extend lives and improve quality of life (QOL). This is the social value we create through our business.

Future hope for patients

We deliver innovative treatment options to as many patients as possible, as quickly as possible, while helping people live longer and improving their QOL.

Contribute to the Next-generation Healthcare

By 2030, we aim to create the next Breakthrough Generating Technologies (BGTs) and deliver medicines that go beyond the current standard of care to patients.

Contribute to Diverse Stakeholders

We create social value with our diverse stakeholders, including patients, by reducing our environmental impact and enabling diverse talent to thrive.

The Four Pillars of our new Five-Year Business Plan

Specific strategies for creating social value

Be a Global Top 5 Oncology Company by 2035

Maximize the value of our DXd ADCs, strengthen our capabilities in R&D, Business Excellence, and other strategic areas, and achieve launches in more than 20 indications over the next five years.

Identify Next BGTs by 2030

Identify multiple candidates for the next-generation BGTs by expanding the Shinagawa R&D Center and combining digital transformation (DX) in drug discovery with open innovation.

Operational Excellence

Achieve more than 200.0 Bn JPY in cost optimization over the next five years by leveraging AI to improve productivity, fundamentally optimizing our procurement and outsourcing structure, and centralizing commercialization activities globally under a newly established Chief Commercialization Officer.

Be a Trusted Partner for Sustainable Society

By meeting the expectations of diverse stakeholders and continuing to be a trusted partner, we contribute to a sustainable society.

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04

What Strengths Enable Our Value Creation

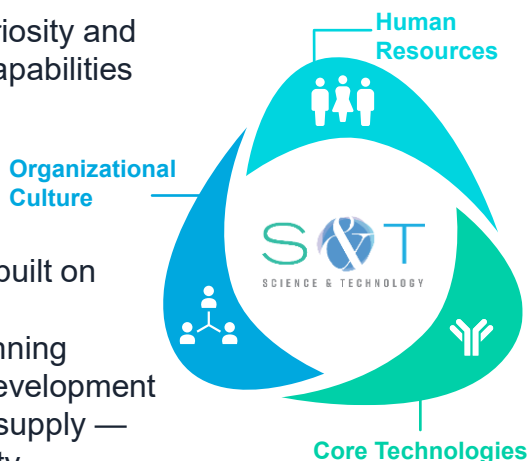
Strengths

Our three strengths—**Science & Technology**, **Global Organization & Talent**, and **Long-term Orientation**—serve as sources of our competitiveness for sustainable growth.

Science & Technology

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- **R&D DNA** built through our heritage as a drug discovery company
- **People** with deep scientific curiosity and strong scientific assessment capabilities
- **Proprietary technologies** exemplified by DXd ADCs
- **A robust supply foundation** built on the integration of clinical and commercial operations — spanning seamlessly from early-stage development to commercial production and supply — that reliably delivers high-quality pharmaceuticals to patients around the world.



Global Organization & Talent

>> p.20

- Bringing together global expertise to create meaningful outcomes through cross-border collaboration among people with diverse regional, cultural, and professional backgrounds, united by **One DS Culture and a shared commitment to patients**
- Global processes and an organizational foundation that enable us to drive activities from R&D through commercialization by ourselves

Long-term Orientation

- A deeply embedded organizational mindset, grounded in the very nature of our business, with a 15-to-20-year horizon, cultivated since our drug discovery work began
- **Contribution to both the patients of today and future** as our fundamental principle, driving intentional and consistent investment for sustainable growth, anchored in our strategy, value chain, and capitals for value creation
- **Sanpo-Yoshi**, a Japanese business principle of shared benefit, underpins a long-term perspective in which all stakeholders share in the growth we create, forming the root of our value creation model

BGT Platform

- We advance multimodality research to create new BGTs*, leveraging our proprietary technologies and expertise we have accumulated as an ADC frontrunner.
- By combining BGTs with diverse disease biology, we generate multiple new innovative medicines to transform standard of care.

Multimodality Research ~Multimodality Drug Discovery Platform~

ADC Platform



DXd ADC



STING agonist
ADC



mPBD ADC



Novel Concept
ADCs

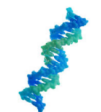
New Modalities



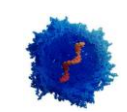
Multispecific
Antibodies



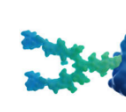
Mid-size Molecule
(incl. TPD molecule)



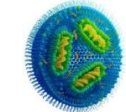
Nucleotide



Gene Therapy



Glycan



LNP-mRNA

etc.

BGT Platform

By applying clinically validated technologies to subsequent programs, we create new medicines with a higher probability of success.

By integrating expertise and insights across research, development, and manufacturing, we deliver innovative medicines to patients more quickly and efficiently.

*Breakthrough Generating Technologies. Daiichi Sankyo's proprietary technology platforms designed to generate multiple innovative medicines across a range of diseases and therapeutic areas

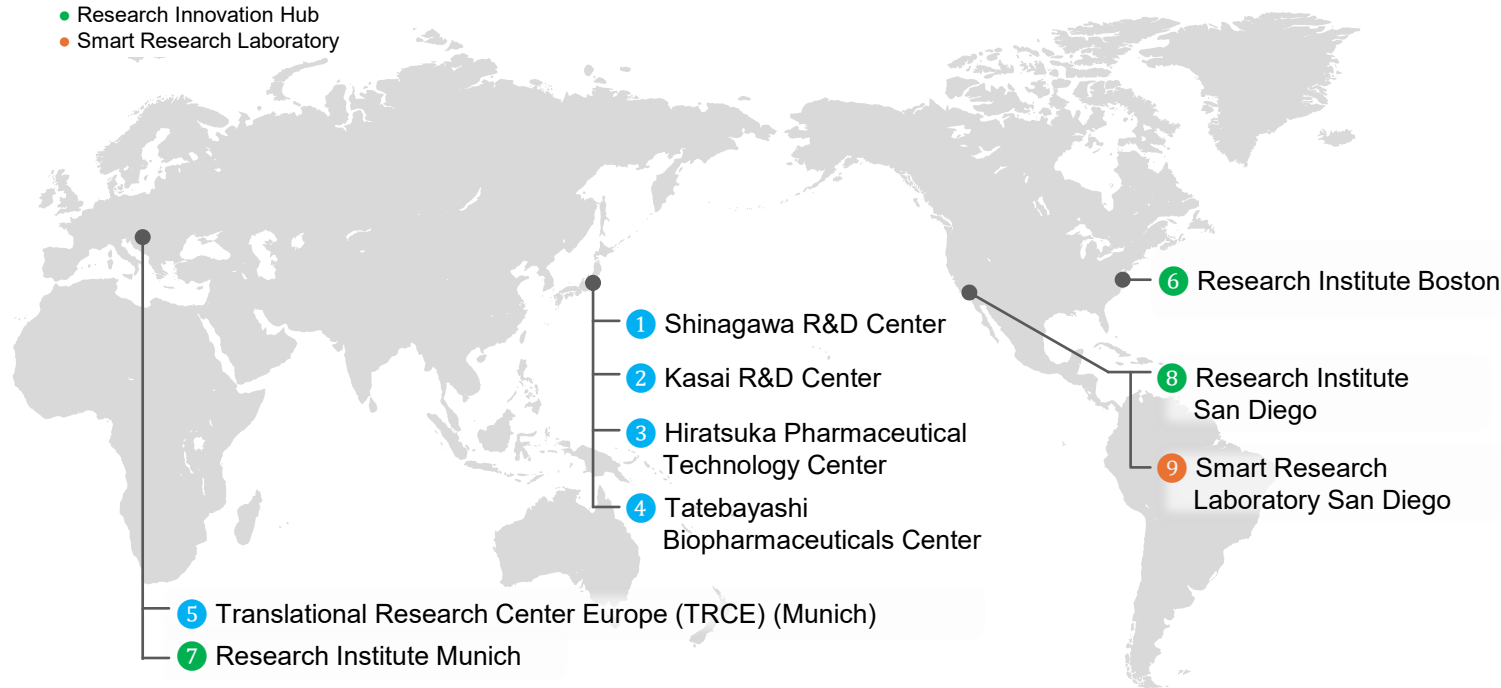
[Related Content: Our R&D Strategy & Operations](#)

Drug Discovery Capability

Our research network across Europe, the United States, and Japan, combined with AI, automation, and smart research labs, accelerates research productivity and innovation, providing a foundation for future BGTs.

Global Research Network

- Research Laboratories
- Research Innovation Hub
- Smart Research Laboratory



Centered in Tokyo, our research functions span Japan, Europe, and the United States

* AI: artificial intelligence; ML: machine learning

Open Innovation (Research Institutes)

- Research sites across Europe, the United States, and Japan
- Building a global network with academia and startups
- Collaborations that underpin Daiichi Sankyo's research strategy

AI-Driven Drug Discovery (9 Smart Research Laboratory)

- 24/7 Laboratory Automation Platform
- Hybrid research framework integrating data generation in San Diego with AI/ML*-driven molecular design in Shinagawa
- Sustaining a competitive advantage through high-quality, large-scale data

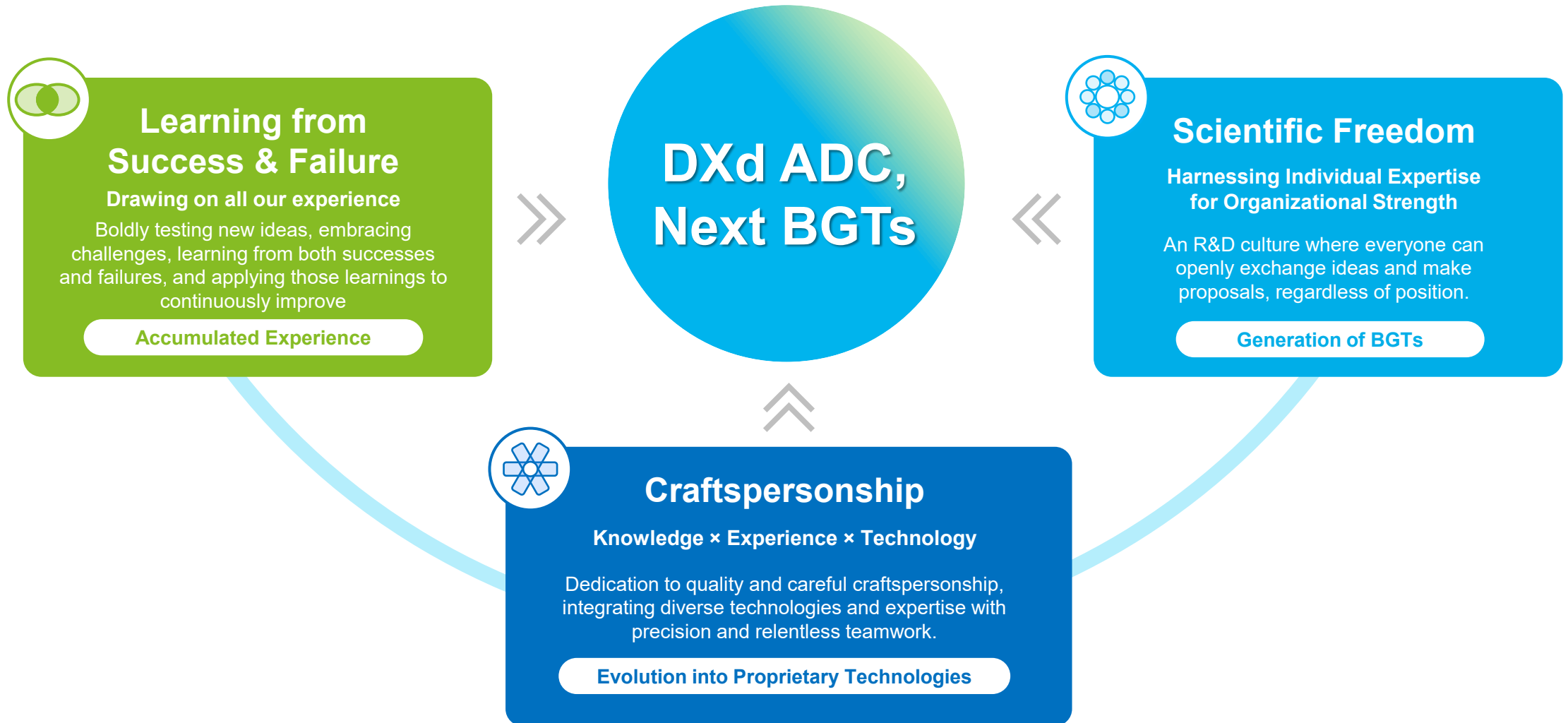


Evolution Toward 2030: Creation of BGTs

- Enhancing the Shinagawa R&D Center and Accelerating Research Digital Transformation
- A New Research Building Supporting R&D Capabilities
- Advanced Research Platform
- Next-Generation Technologies and a Drug Discovery Ecosystem

R&D Culture

Building on the R&D culture we have cultivated over more than 120 years, we translate the power of science and technology and our people into meaningful value for patients.



Be a Trusted Partner for Sustainable Society

Be a Trusted Partner for Sustainable Society is the foundation for continuously delivering the social value Daiichi Sankyo creates. By integrating six initiatives into our business activities, we aim to be a truly trusted partner for society.

① Fostering Patient Centricity

Driving value creation across the entire value chain through dialogue and empathy, starting with the voices of patients

→ Patients and their Families, Healthcare Professionals

>> p.16

② Ethically contributing to medical communities

Improving access to healthcare and capacity building in low- and middle-income countries, Advancing equitable access to cancer care and strengthening locally led healthcare systems

→ Patients and their Families, Healthcare Professionals, Local Communities

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③ Acquiring and developing world-class-talent

Developing next-generation leaders and growth opportunities for all employees through DS Academy

→ Employees

>> p.20

④ Further enhancing culture and work environment

Fostering a One DS Culture across the organization
Incorporating employees' voices through engagement surveys

→ Employees

>> p.22

⑤ Maintaining high standard of compliance

Operating an effective compliance program
Establishing a Human Rights Due Diligence framework

→ Society, Business Partners

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⑥ Maintaining low environmental burden across our value chain

Advancing the net-zero transition plan
Driving global initiatives to reduce Scope 1 & 2 emissions

→ Natural Environment

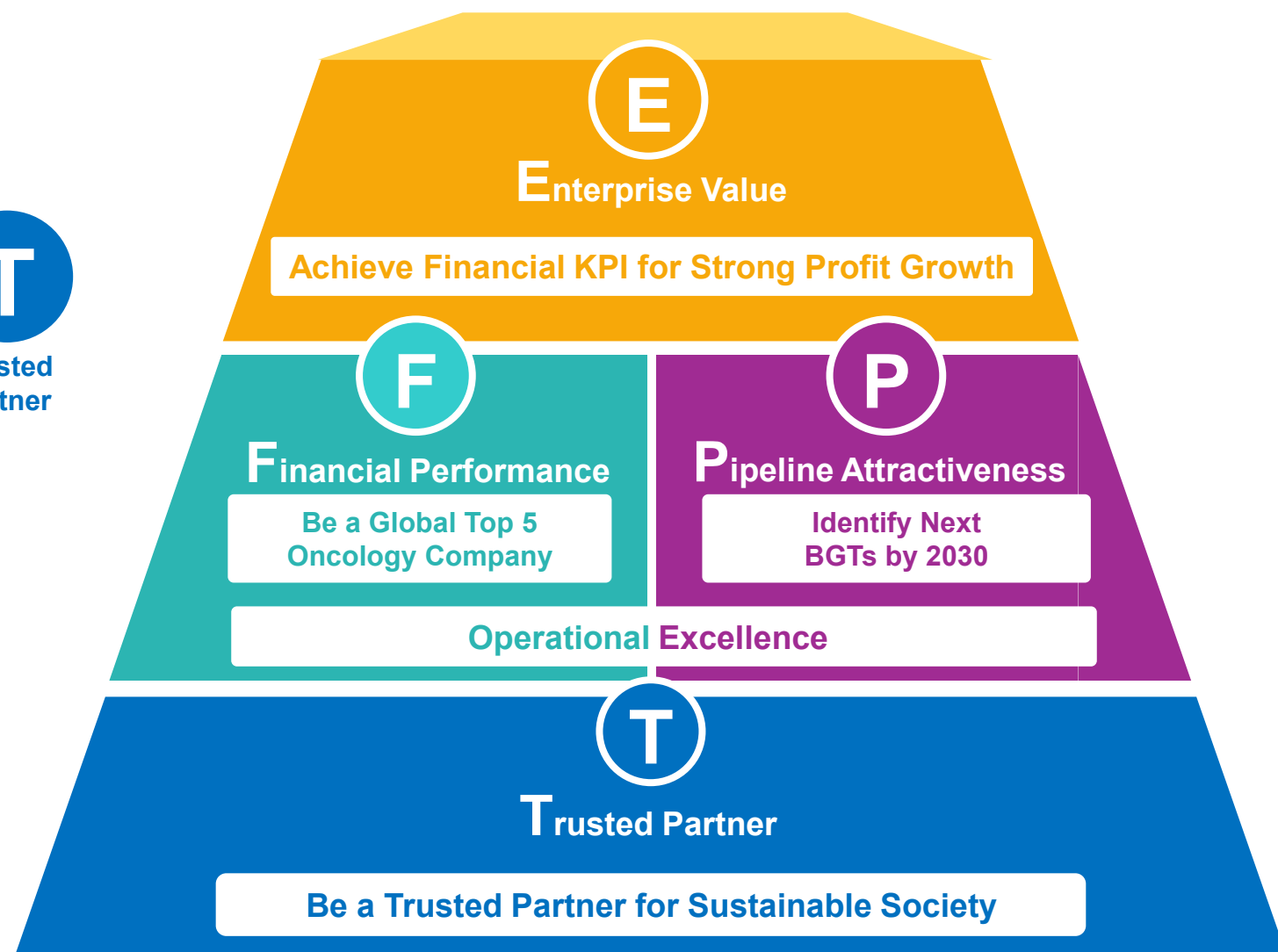
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Trust from Society as a Lever for Enhancing Corporate Value

$$\text{E} = (\text{F} + \text{P}) \times \text{T}$$

Enterprise Value = (Financial Performance + Pipeline Attractiveness) × Trusted Partner

Our corporate value (E) is built on our current financial performance (F) and the pipeline (P) that drives future growth, multiplied by the **trust (T)** earned from society, which strengthens and enhances their value.



Sustainable Value Creation Underpinned by Patient Centricity

Creating value across the entire value chain,
starting with the patient voice

Drug Discovery

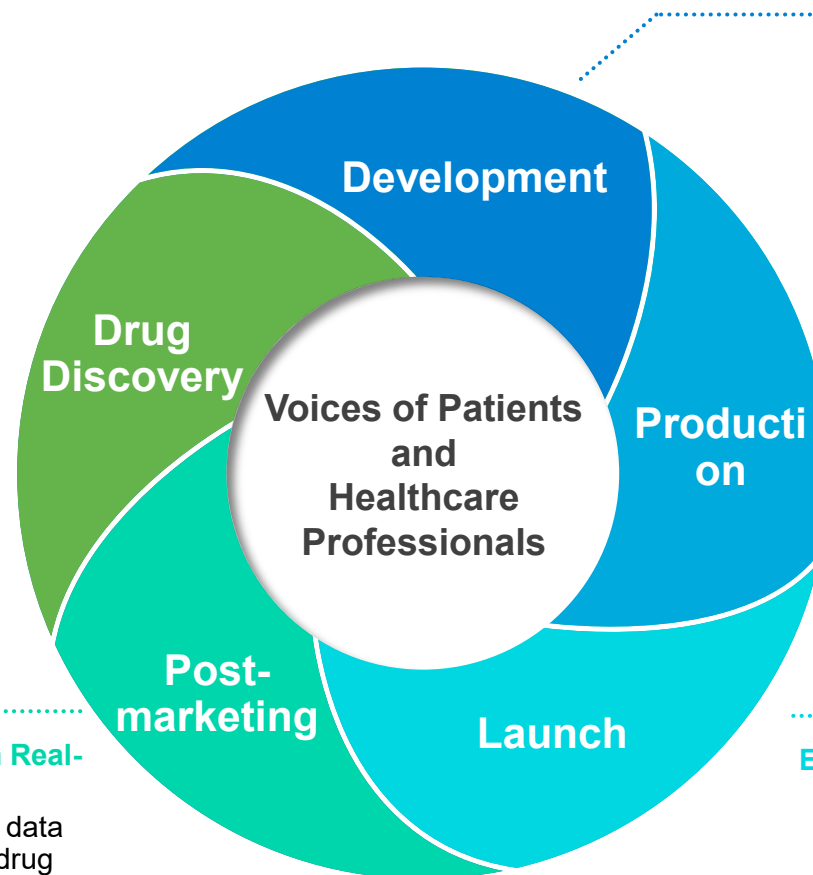
Address Unmet Medical Needs

ENHERTU® example: Explore and develop new mechanisms of action effective in patients with HER2-low breast cancer.

Post-marketing

Continuously Improve Safety and Effectiveness in Real-World Clinical Practice

ENHERTU® example: Collect and analyze real-world data following launch to enable early detection of adverse drug reactions and provide relevant feedback to patients.



Development

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Assess Impact on Patients' Quality of Life (QOL)

ENHERTU® example: Use improvements in patient-reported symptoms and QOL, in addition to survival, as clinical trial endpoints.

Production

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Ensure Delivery to Patients by Prioritizing Product Quality and Stable Supply

ENHERTU® example: Establish a global manufacturing framework for technologically advanced ADCs to ensure product quality and a stable supply.

Launch

Expand Access to Treatment Options for More Patients

ENHERTU® example: Reached approximately 155,000 patients* worldwide as of FY2025.

Indication expansions made ENHERTU available as a new treatment option across multiple tumor types.

*Estimated based on the formula dividing "total sales volume" as of the end of March 2026 by the "amount of use required by one patient per year"

Patient-centered business activities from drug discovery through post-marketing build public trust in products and serve as a source of long-term corporate value.

Bringing Frontline Insights into Drug Development

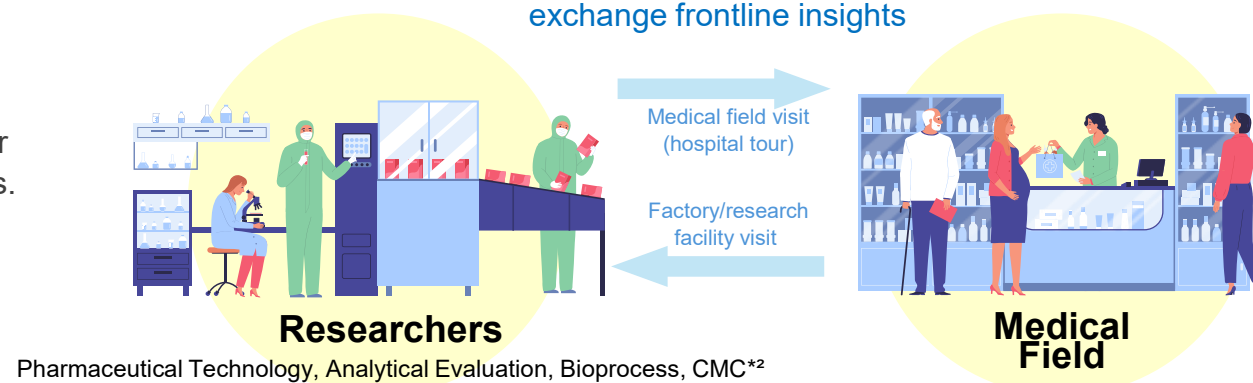
- Connecting CRCs ^{*1} /pharmacists and researchers to bring frontline insights into drug development and advance Patient Centricity, based on trust and respect.

1 Challenges

- **Healthcare Settings:** Limited opportunities for CRCs/pharmacists to share frontline insights with development and manufacturing teams.
- **Within Daiichi Sankyo:** Limited opportunities for researchers to hear patients' voices firsthand and see how their work connects to patients.

2 Action

Researchers and CRCs/pharmacists visit each other's workplaces to exchange frontline insights



3 Implementation Status and Outcomes

- 2 sessions | 48 CRCs/pharmacists from 13 sites | 65 Daiichi Sankyo employees.
- **Key outcomes**
 - High satisfaction among both researchers and CRCs/pharmacists
 - Greater understanding of how each role contributes to drug development
 - New insights gained through cross-functional dialogue
- Example of researcher insight: *“Frontline insights helped us better understand how drug development can reduce patient waiting times and support reliable medication use”*

Highlighting the people and passion behind each other's work



^{*1} Clinical Research Coordinator

^{*2} Chemistry, Manufacturing and Controls

Healthcare System Strengthening Projects in LMICs

- Efforts to address global health challenges by expanding access to medicines, strengthening local healthcare systems, and advancing research and development, guided by our Purpose of “Contribute to the enrichment of quality of life around the world.”
- A collaborative approach aimed at building sustainable access to healthcare and resilient health systems through partnerships with international organizations and other stakeholders to address challenges that cannot be solved by a single company alone.

Projects started since 2021



	Breast and Cervical Cancer Prevention, Screening, and Awareness		Improving Healthcare Service Delivery and Access
	Addressing Non-Communicable Diseases (NCDs)		Improving Adolescent Sexual and Reproductive Health Services

1 Mobile Healthcare Field Clinic Services



2 Breast and Cervical Cancer Screening Camp Project



3 Public Awareness Activities and Strengthening of Healthcare Infrastructure for SRHR* and Breast and Cervical Cancers



4 Breast and Cervical Cancer Screening Promotion Project



5 Cervical Cancer Prevention through Early Detection and Treatment



6 Improve Adolescent Sexual and Reproductive Health Services Project



7 Cancer Prevention and Adolescent Health



8 Non-Communicable Diseases Control Project

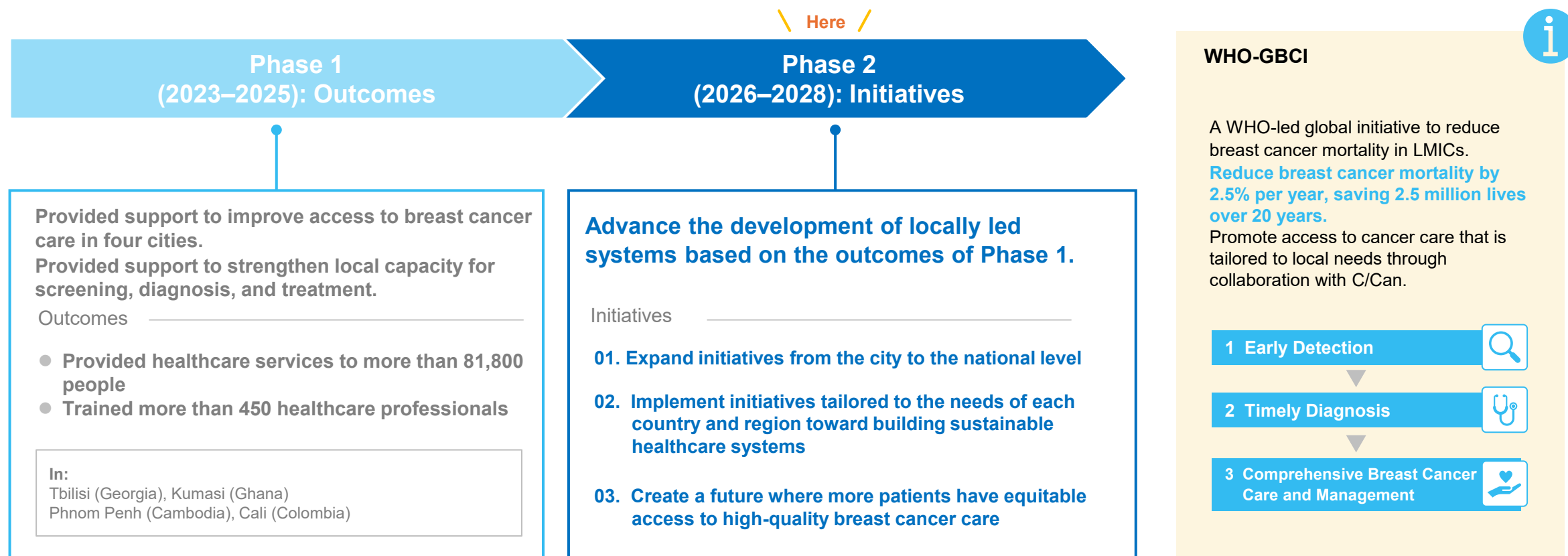


*Sexual and Reproductive Health and Rights



Participation in Phase 2 of the WHO Global Breast Cancer Initiative (WHO-GBCI)

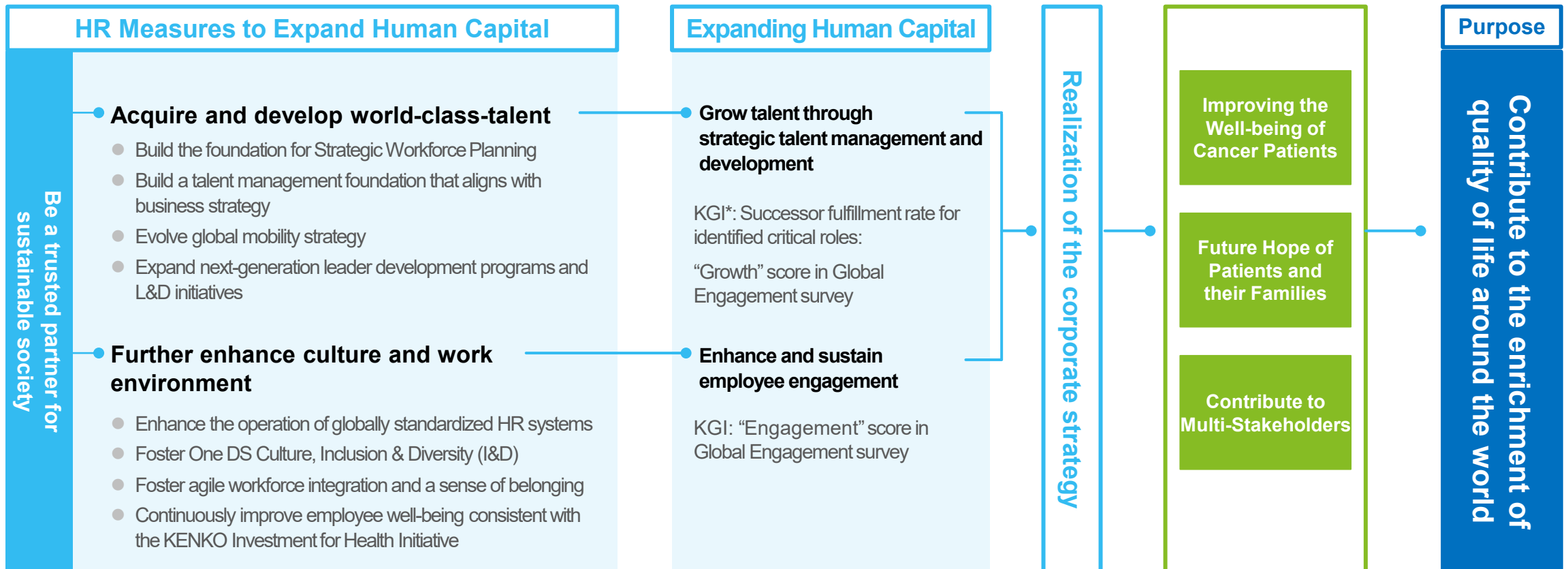
- Since May 2026, we have participated in Phase 2 of the WHO-C/Can* partnership for the implementation of the GBCI, with a focus on improving outcomes for patients with cancer in low- and middle-income countries (LMICs) as a global health priority.
- We will promote equitable access to cancer care and strengthen healthcare systems through this partnership (2026~2028).



* C/Can (City Cancer Challenge): An international NPO that supports locally led efforts to strengthen cancer care systems in cities across LMICs

HR Strategy

- We drive HR measures aligned with the corporate strategy based on our People Philosophy.
- We strengthen human capital to enhance corporate value and realize our Purpose.



For more information on our People Philosophy, please click here



Development Programs by DS Academy

We foster a global learning culture that empowers every Daiichi Sankyo employee to develop the capabilities, skills and mindset to grow, lead and create better futures for patients and communities.

DS Academy aims to evolve into Daiichi Sankyo's global learning and development ecosystem, providing scalable development opportunities for all employees while building the enterprise leaders needed to deliver our long-term strategy.

Learning for All

An evolving global portfolio of leadership, professional, and future-focused development programs, learning resources, and digital offerings designed to enable every employee to grow and succeed.

Leadership Flagships

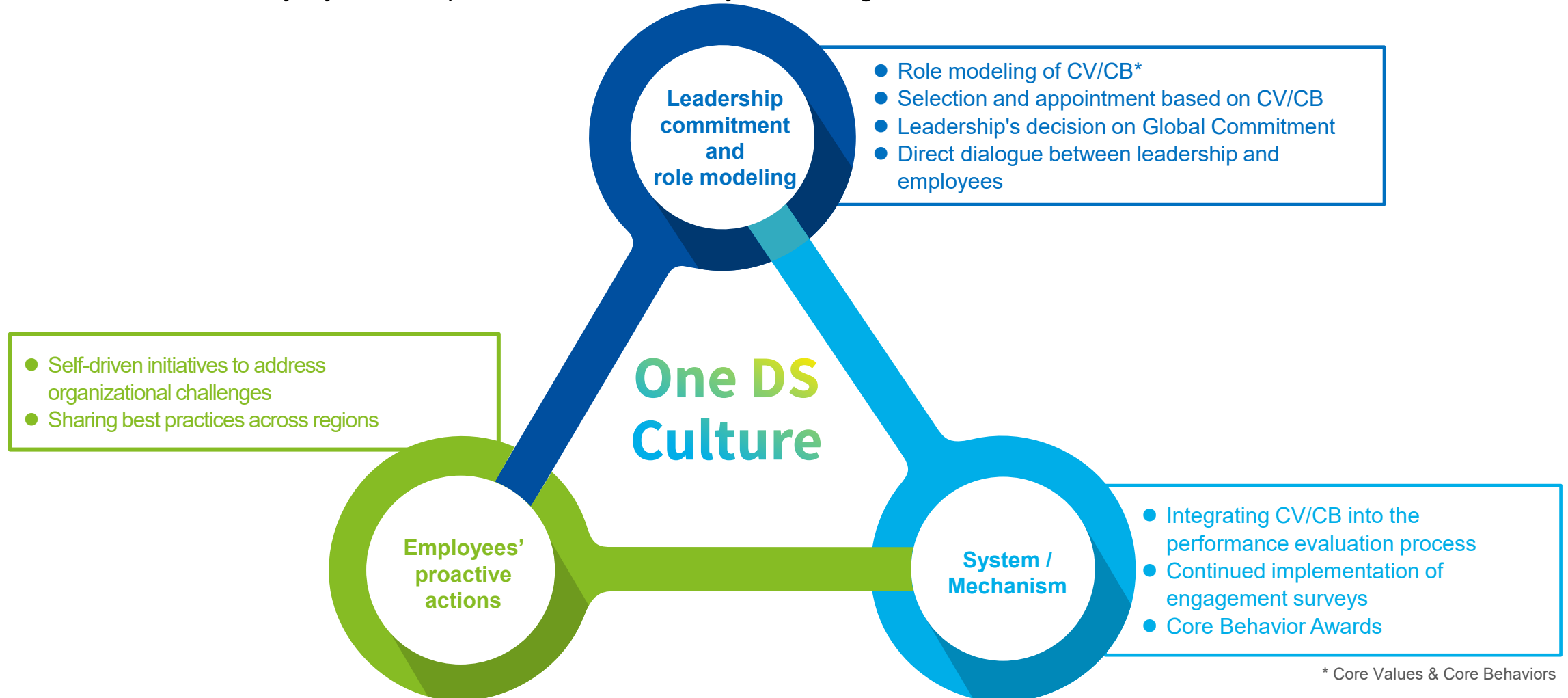
Signature development experiences, including the Executive Leadership Accelerator (ELA) and Senior Leadership Accelerator (SLA).

Program name	ELA: Executive Leadership Accelerator	SLA: Senior Leadership Accelerator
Implementation period	14 months Conducted as a two-year pilot program from April 2024. Full implementation beginning in April 2026	10 months Pilot program started in July 2026, with full implementation planned for FY2027
Implementation method	A hybrid format combining in-person and online activities A high level of experiential learning combined with expert lecturing; mentoring by Executive Management Team (EMT) members and executive coaching (ELA only)	
Cohort size	Approximately 30 people (Vice President level, by nomination)	Approximately 30 people (Exec. Director, Sr. Director level, by nomination)
Content	● DNA of DS (History of DS, Core Values & Core Behaviors, Patient Centricity) ● Enterprise Mindset to Enable Global Leadership ● Advanced skill development (Strategic Thinking, latest global trends, Change Leadership)	
Outcomes	Three EMT promotions: Ueno (current Representative Director and Senior Executive Officer), Abe (current Senior Executive Officer), Yomasu (current Executive Officer)	—

Fostering One DS Culture

The firm foundation of our One DS Culture was established by creating a continuous cycle that combines top-down and bottom-up efforts.

Over the course of our new five-year business plan, our intention is to build on this foundation and embed our One DS Culture in everyday leadership, team routines, and ways of working to enable business outcomes.



Global Engagement Survey Results

To support the establishment and continuous evolution of our One DS Culture, we have conducted an annual employee engagement survey* since 2021. By incorporating employees' voices into organizational management, we promote the continuous cultivation and evolution of our culture and strengthen organizational capabilities.

* Conducted once a year for all Group employees worldwide, covering 29 survey questions

FY2025 Engagement Survey Results

RESPONSE RATE

87%

Compared with the previous year
±0 point

Global Company Average 75%

Engagement Score

77

Compared with the previous year
+1 point

Global Benchmark +2 point

Key Activities based on the Survey Results

- We continuously invest in fostering a learning culture that transforms lessons learned into improved performance. (Example: Providing the Learning Review Toolkit and facilitating dialogue sessions across organizations)
- Following discussions of the survey results among the entire executive management team, operational efficiency was identified as the top organizational priority. A Global Commitment was established: "Maximize efficiency so that every employee can focus on what matters most for patients." In addition, each organization develops and implements a Culture Action Plan to address culture-related challenges identified through the survey.

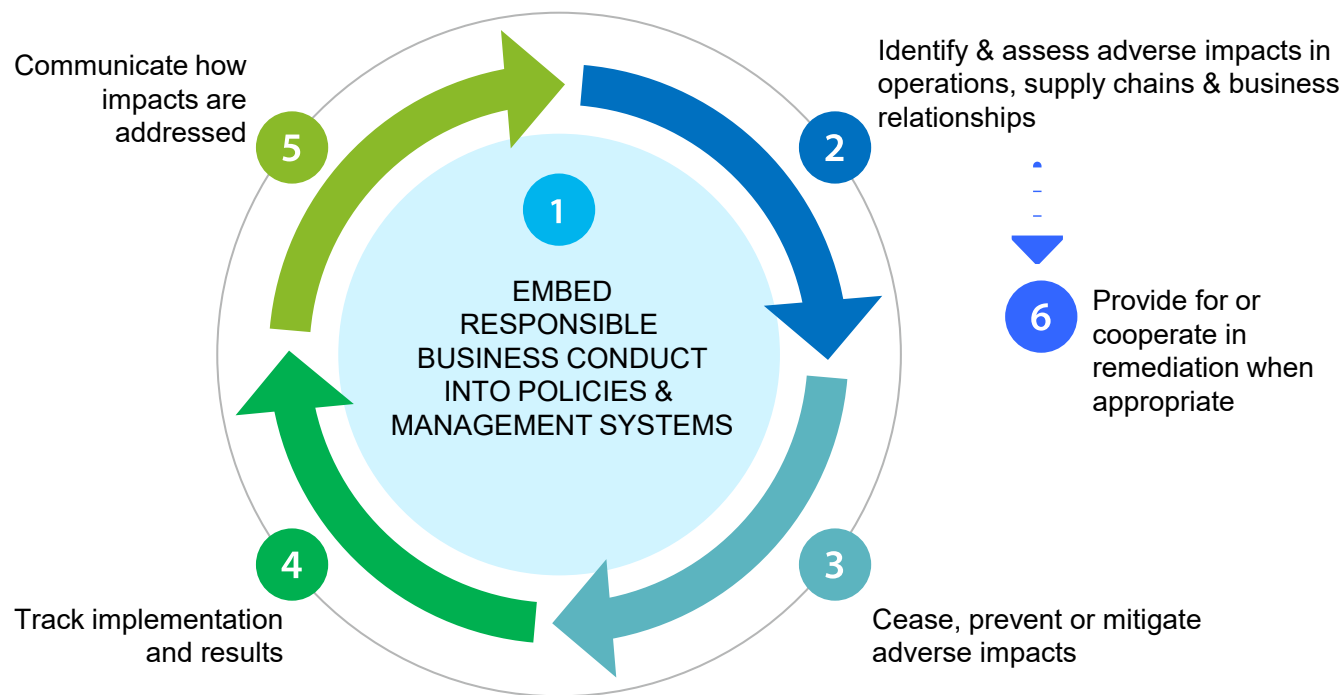
Operating an Effective Global Compliance Program

Our Global Compliance Program is oriented against the elements of an effective compliance program and considers how we use our compliance activities to prevent, detect, and advise the organization on relevant compliance risks.



Human Rights Due Diligence

- Implementing initiatives based on the Human Rights Due Diligence (HRDD) cycle.
- Continuously enhancing the HRDD process in line with international standards and societal expectations.



Source: OECD Due Diligence Guidance for Responsible Business Conduct

Internal Human Rights Risk Assessment

Conducting a human rights risk assessment every three years for all Group companies

Respect for Human Rights in Procurement

- Conducting risk screening at the start of business relationships and ongoing monitoring thereafter
- Conducting a Sustainable Procurement Survey every three years for key business partners, covering respect for human rights and labor, health and safety, and other sustainability-related areas

Human Rights Training

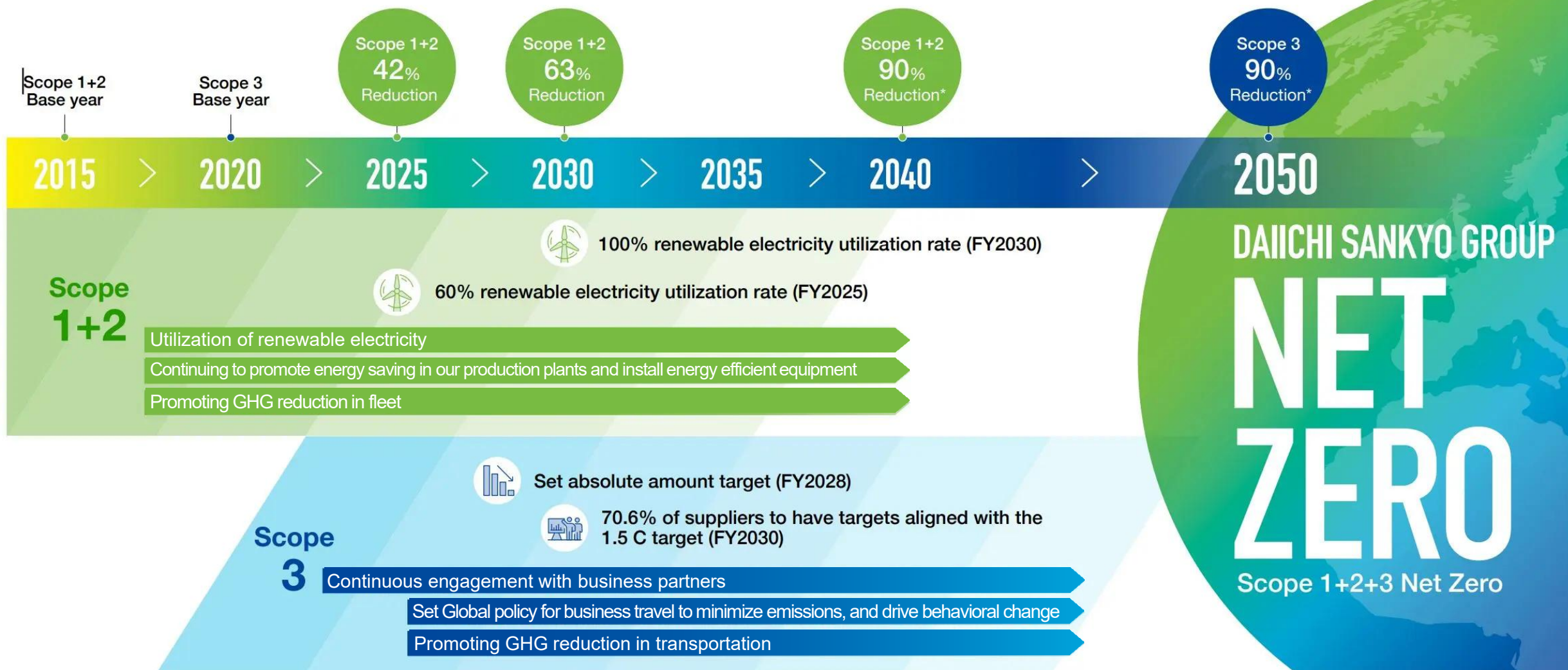
Conducting human rights training at major Group companies



[Related Content: Respect for Human Rights](#)

Daichi Sankyo Group Net Zero Transition Plan

Roadmap to achieve net-zero CO₂ emissions across our value chain by 2050.



* After achieving our long-term targets, any residual emissions that cannot be reduced shall be neutralized through substantial carbon removal initiatives

Overview of Initiatives for Global Energy Efficiency & Decarbonization

Global initiatives to expand renewable energy use and reduce Scope 1 & 2 emissions.

Scope 1 : Reduction Initiatives

Fleet decarbonization

- Daiichi Sankyo Europe: Focus on electric vehicles and cash allowance in fleet policy and vehicle portfolio
- Daiichi Sankyo Brazil: Pilot program of introducing electric vehicles after previous shift to biofuels



Carbon reduction in production

- Pfaffenhofen Plant: More than 60% reduction in CO₂ emissions from steam production through an on-site wood pellet plant
- Hiratsuka Plant: Energy audit to identify potential CO₂ emission reductions



Energy saving

- Onahama Plant: New administration building Nearly ZEB^{*1}-certified, cutting net energy consumption by 75% or more
- Daiichi Sankyo Brazil: Pursuit of LEED^{*2} certification in plant expansion



Scope 2 : Reduction Initiatives

Expansion of on-site solar power generation



Onahama Plant
(Japan)



Shanghai Plant
(China)



Pfaffenhofen Plant
(Germany)

Procurement of renewable heat

- Pfaffenhofen Plant: District heating via near-site biomass plant



Renewable electricity feasibility

- Daiichi Sankyo, Inc. and American Regent, Inc. : Assessment of on-site renewable energy feasibility and procurement options
- Global Office Sites: Analysis of renewable electricity introduction (where applicable)



*1 Nearly ZEB-certified : Nearly Net Zero Energy Building

*2 LEED(Leadership in Energy & Environmental Design) : widely recognized green building rating



Environmental Data (Scope1+2 reduction, Renewable electricity utilization rate)

CO₂ emissions (Scope 1 + Scope 2)

Target (FY2025) :
- 42.0%
vs. FY2015



Results (FY2025)

- 48.5%*

vs. FY2015

*FY2025 target: Reduction by 42% from FY2015;
FY2030 target: Reduction by 63% from FY2015

Renewable electricity

Target (FY2025) :
60.0%
renewable electricity
utilization rate



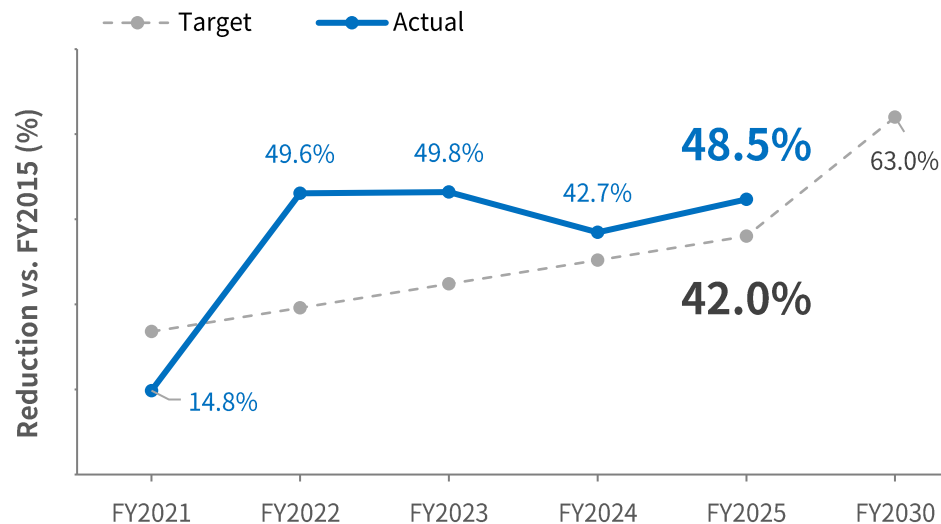
Results (FY2025)

79.7%

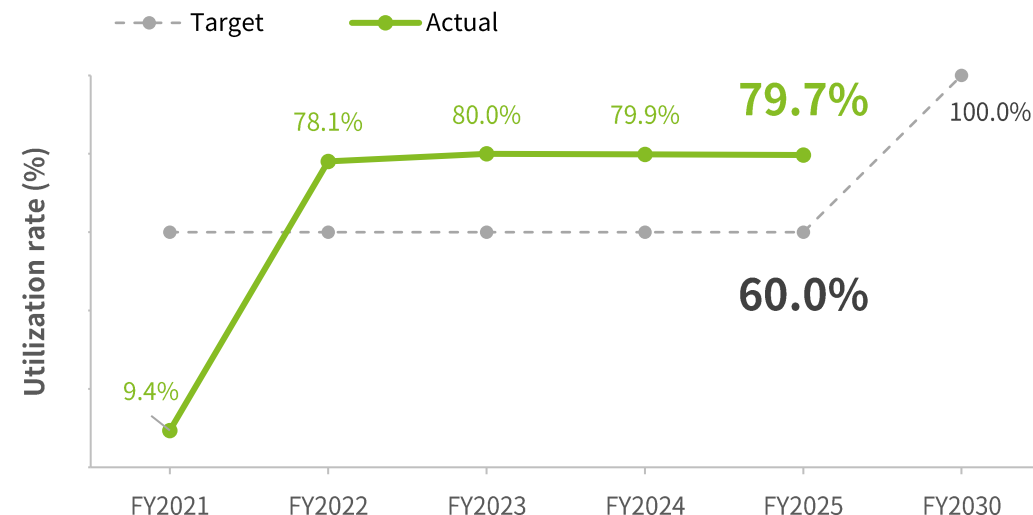
renewable electricity utilization rate

*FY2025 target: 60% renewable electricity utilization rate;
FY2030 target: 100% renewable electricity utilization rate)

Scope 1+2 CO₂ Reduction Rate



Renewable Electricity Utilization Rate



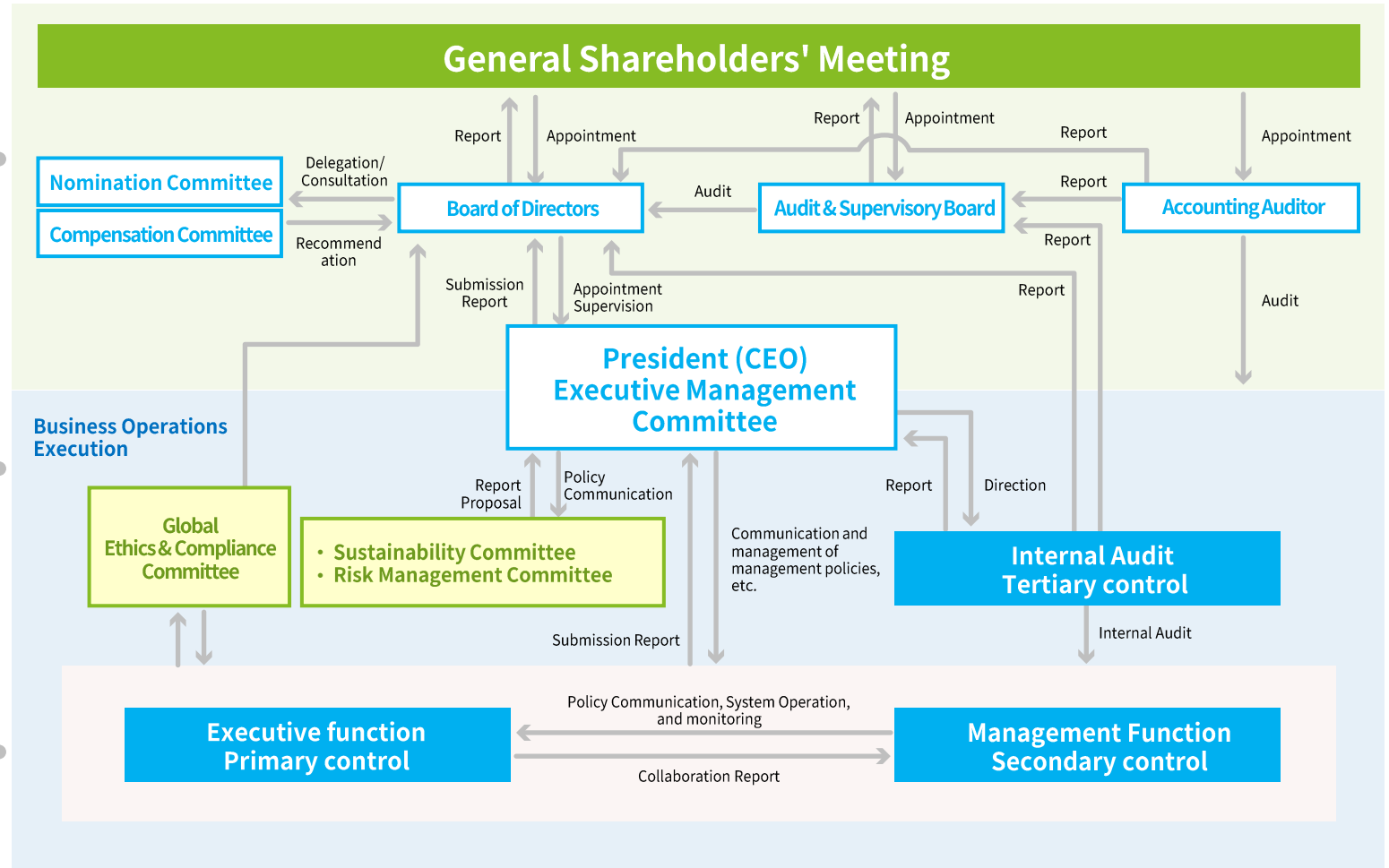
Internal Governance Framework for Sustainability Issues

- A strategic decision-making framework that incorporates sustainability issues into corporate strategy and management decision-making.
- Integrated management of identified and assessed sustainability issues with enterprise-wide risk management.

The Sustainability Committee has been established, chaired by the Head of Global Corporate Affairs. Serving as an advisory body to the Management Meeting, the Committee meets at least twice a year in principle to discuss company-wide strategies and policies.

Matters related to corporate ethics, compliance, and human rights are deliberated by **the Global Ethics and Compliance Committee** (which meets at least once a year in principle), with outcomes reported to the Board of Directors.

A framework has been established to integrate identified sustainability issues into company-wide risk management, with the results reported to the Management Meeting and the Board of Directors.



Corporate Governance

A management foundation that underpins the effective execution of all initiatives for long-term value creation

- An effective governance framework centered on the Board of Directors, working in close coordination with the Nomination and Compensation Committees
- Integrated oversight and decision-making across medium- to long-term strategy, sustainability, and risk management >> p.31
- A transparent director nomination process and a Board composition that emphasizes diversity, expertise, and independence >> p.32
- Executive compensation system that promotes corporate value growth and value sharing with shareholders >> p.33



Our Corporate Governance

- Under the robust oversight of the Board of Directors, the Nomination Committee, and Compensation Committee, medium-to-long-term strategy, sustainability, and risk management are discussed in an integrated manner.
- Corporate governance is strengthened to support long-term corporate value.

Discussion toward the Realization of Value Creation Story

▶ Mid- and Long-term Strategy

1. Strategic guidance for the new Five-Year Business Plan
2. Quantitative plan for the new Five-Year Business Plan
3. 2035 Vision

▶ Risk Management

Addressing key risks in response to changes in the business environment

▶ Sustainability

Incorporating sustainability management into the new Five-Year Business Plan

1. Double materiality assessment
2. Pathway from non-financial impact to financial outcomes
3. Patient Centricity

▶ Global Management Structure

Nomination and Compensation Governance

▶ Nomination Committee

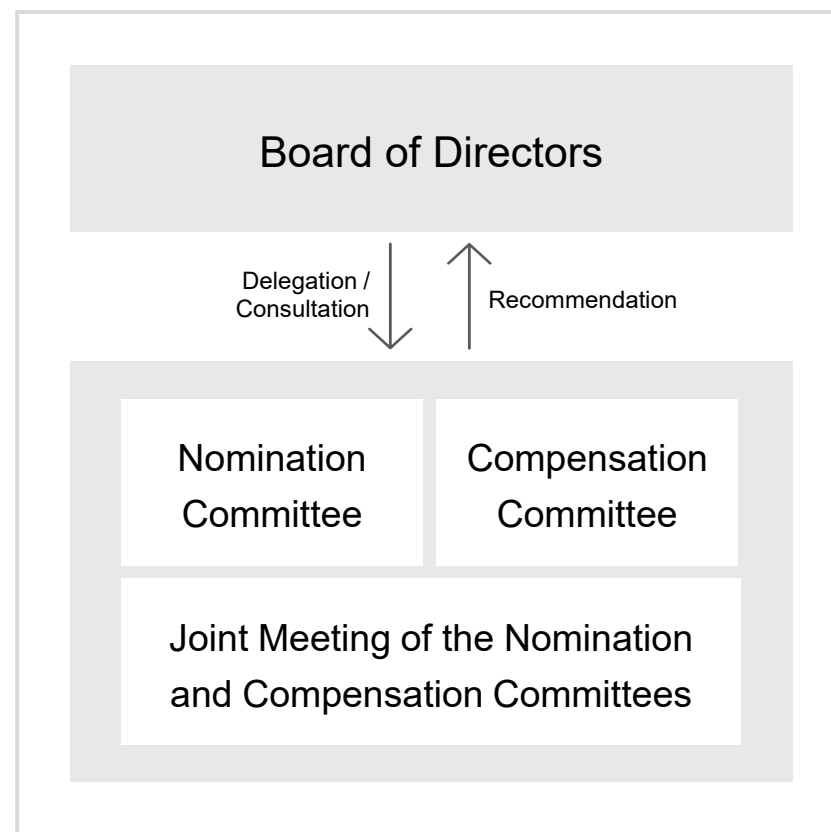
- Deliberation on the appointment, dismissal and reappointment of the CEO and making recommendations to the Board
- The Board structure
- Global management structure (Reported by Executive Management)

▶ Compensation Committee

- CEO performance evaluation
- Discussion on Executive Compensation Levels and Long-Term Incentive (Equity-Based Compensation)

▶ Joint Meeting of the Nomination and Compensation Committees

Progress review of the CEO's annual objectives

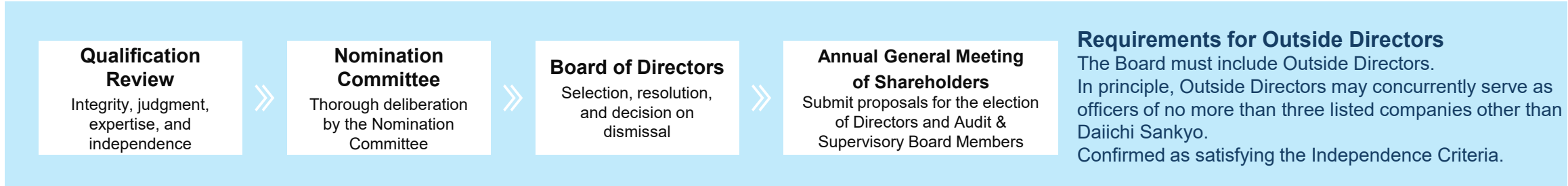


For more information on our Board of Directors, Nomination Committee and Compensation Committee, please click here

Policies and Procedures for the Appointment and Selection of Directors, Audit & Supervisory Board Members, the CEO, and Other Executives

- Selection of directors based on qualifications, expertise, and independence, while striving for a diverse Board, supported by a transparent appointment and removal process through the Nomination Committee, the Board of Directors, and the Annual General Meeting of Shareholders.
- A diverse and well-balanced Board composition based on nine key skills.

Appointment and Dismissal Procedures



- Director candidates are selected by the Board of Directors following deliberation by the Nomination Committee, ensuring transparency in the nomination process
- The appointment and removal of the CEO and COO are determined by the Board of Directors following a recommendation from the Nomination Committee.

Nine Key Skills

*Selected with due consideration for diversity and balance.

The Board of Directors identified the skills considered particularly important in light of its expected functions.



*including corporate governance

Executive Compensation System

- An executive compensation system designed to attract and retain talented executives and promote the enhancement of corporate and shareholder value over the medium to long term incentives.
- Ensuring transparency and fairness through deliberations by the Compensation Committee and the implementation of clawback and malus provisions.

01/ Compensation policy and levels

The policy prioritizes attracting and retaining talent, incentivizing mid- to long-term growth, enhancing corporate and shareholder value and ensuring accountability. Compensation levels are benchmarked against companies such as the top 100 by market capitalization and are intended to be at a top-tier level across industries.

02/ Compensation Structure

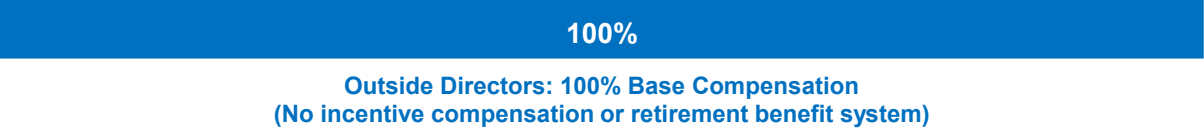
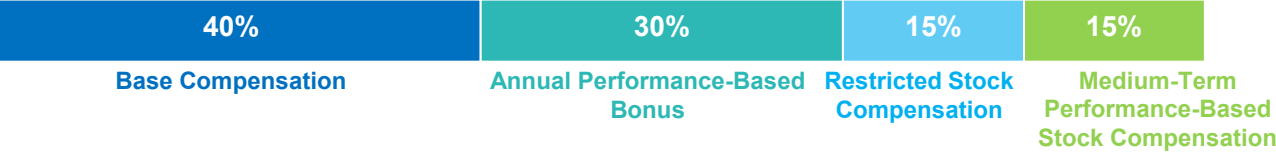
Internal directors receive base compensation, short-term incentives, and two types of long-term incentives.
Outside directors and Audit & Supervisory Board Members receive base compensation only.

03/ Governance and Risk Management

The Compensation Committee reviews the appropriateness and transparency of executive compensation. Clawback provisions apply in the event of material accounting errors, while malus provisions apply in cases of serious misconduct.

Compensation Structure of the Representative Director, President and CEO (at 100% Target Achievement)

A compensation structure that combines short-, medium-, and long-term incentives and rewards performance. No retirement benefit system is provided.



Variable Compensation Framework

Annual Performance-Based Bonus

Profit Attributable to Owners of the Parent 80%
Revenue 10%
Core Operating Profit Margin 10%

Performance Multiplier: 0%–200%

Medium-Term Performance-Based Share Compensation

Financial Metrics 60%	Non-Financial Metrics 40%
Revenue / Operating Profit / ROE / Relative TSR 15% each	R&D Progress 30% / Sustainability Metrics 10%

Performance Multiplier: 0%–200%

For more information on our Executive Compensation, please click here

Sustainable Growth

Sustainable Value Co-Creation with Stakeholders

Sustainable Value Creation Driven by Social Value

The creation of social value fosters trust, which attracts world-class talent. Our people drive innovation, which in turn, creates greater contribution to patients, reinforcing a virtuous cycle that drives sustainable financial performance.

Growth Scenario Toward 2035

By maximizing the value of our DXd ADCs portfolio while expanding the contribution of next-generation BGTs, we aim to establish our position as a trusted healthcare innovator.

The creation of social value and its integration into management generate outcomes that deliver value for all stakeholders (**Sanpo-Yoshi**). These outcomes, in turn, strengthen the foundation for the next cycle of value creation. Financial performance emerges as a result of the virtuous cycle of value creation.

Ultimately, what Daiichi Sankyo seeks to achieve together with all stakeholders is not a single outcome, but a **continuous cycle of sustainable value co-creation**.